

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6362**

**BILL NUMBER: SB 121**

**NOTE PREPARED: Jan 28, 2008**

**BILL AMENDED: Jan 28, 2008**

**SUBJECT:** Donations by Local Units to Community Foundations.

**FIRST AUTHOR:** Sen. Riegsecker

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) *Donation to a Charitable Nonprofit Community Foundation:* The bill allows a unit of local government to donate money in the unit's local Major Moves construction fund to a charitable nonprofit community foundation. (Current law allows the proceeds from the sale of a utility or facility or from a grant, a gift, a donation, an endowment, a bequest, a trust, or riverboat gaming revenue to be donated.)

*Permanent or Nonendowed Designated Fund:* The bill allows a donation by a unit to be held by a charitable nonprofit community foundation as either a permanent endowed designated fund or as a nonendowed designated fund, and it requires a unit to specify whether a donation shall be held by the charitable nonprofit community foundation as a permanent endowed designated fund or as a nonendowed designated fund. The bill provides that if a unit specifies a donation shall be held as a nonendowed designated fund, the unit has access to the donation and income at any time.

*Next Generation Trust Fund:* It requires that the income that accrues from the investment of money from the Next Generation Trust Fund be deposited in the Fund and be transferred to the Major Moves Construction Fund at certain times. (Current law requires interest that accrues from the money be deposited in the fund and be transferred to the Major Moves Construction Fund at certain times.)

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** This bill expands the number of alternatives for which money in a local unit's Major Moves construction fund may be spent. Ultimately, the impact of this bill will depend on the actions of local units deciding to donate money to a charitable nonprofit community foundation.

Money paid into local units' Major Moves construction funds from the state's Major Moves Construction Fund includes:

- (1) Before October 15, 2006, and October 15, 2007, two \$75 M distributions divided among the units that are eligible to receive money from the Motor Vehicle Highway Fund;
- (2) Before September 15, 2006, \$40 M each for Steuben, LaGrange, LaPorte, Elkhart, and St. Joseph Counties; \$25 M for Porter County; and \$15 M for Lake County. (LaPorte's distribution could be reduced if it joins the Northwest Indiana Regional Development Authority.)

**State Agencies Affected:**

**Local Agencies Affected:** Counties, cities, and towns.

**Information Sources:**

**Fiscal Analyst:** Karen Firestone, 317-234-2106.